

VZCZCXRO5036  
PP RUEHCHI RUEHFK RUEHHM RUEHKSO RUEHPB  
DE RUEHSG #2358 3131838  
ZNR UUUUU ZZH  
P 091838Z NOV 06  
FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC PRIORITY 0359  
INFO RUEHZU/ASIAN PACIFIC ECON COOP COLLECTIVE PRIORITY  
RUEHBO/AMEMBASSY BOGOTA PRIORITY 1574  
RUEHQT/AMEMBASSY QUITO PRIORITY 1621  
RUEHSJ/AMEMBASSY SAN JOSE PRIORITY 0818

UNCLAS SANTIAGO 002358

SIPDIS

SENSITIVE  
SIPDIS

STATE FOR EAP/EP

E.O. 12958: N/A  
TAGS: [ECON](#) [ETRD](#) [PREL](#) [CI](#)  
SUBJECT: CHILE'S APEC PRIORITIES: ASIAN FREE TRADE AREA,  
DOHA, APEC REFORM

REF: A. STATE 177258  
[1](#)B. SANTIAGO 2278

[1](#)1. (SBU) Summary. The Ambassador delivered ref A demarche on U.S. APEC priorities to FM Foxley on November 7. FM Foxley listed Chile's priorities for the upcoming APEC summit as discussion of an Asia-Pacific Free Trade Area, a jumpstart for the Doha round, and a renewed push for APEC reform. End Summary.

[1](#)2. (U) Ambassador delivered ref A demarche points on U.S. APEC priorities to FM Foxley on November 7. Senior Economic Officer delivered ref A's points to Acting APEC Coordinator German King on November 2.

[1](#)3. (SBU) Both FM Foxley and King strongly supported the idea of a broad Asia-Pacific Free Trade Area. King said he was a bit surprised the U.S. had decided to support the concept. Foxley mentioned in his meeting with the Ambassador that Chile had first championed the idea when it hosted the APEC summit in Santiago in 2004. King wondered how the U.S. was going to reconcile a push for a regional FTA in Asia while still trying to revive the WTO's Doha round.

[1](#)4. (SBU) King listed as Chile's second priority the need for APEC members to discuss Doha. Chile wanted APEC members to focus on what would be lost if Doha did indeed end unsuccessfully. He said he did not see how APEC members could avoid a discussion of Doha.

[1](#)5. (SBU) Chile's third main priority for APEC this year is to further the organizational reform. King said that in the GOC view, APEC reform was taking longer than expected. Personally, he did not think APEC could realistically expand its membership before the reform process was completed. FM Foxley took on board the Ambassador's point that the moratorium on expansion, which is set to expire in 2007, will likely be extended. Foxley mentioned three Latin countries that Chile considers viable candidates for future APEC expansion: Costa Rica, Ecuador and Colombia.

[1](#)6. (SBU) King said he thought APEC members would likely want to discuss developments on the Korean peninsula as well. He offered that it would be odd if the issue of the DPRK's nuclear test were not discussed. He was unsure if these discussions should take place inside the APEC context or on its margins. He noted that with five of six foreign ministers from the Six-Party Talks countries present, there had to be a discussion in one form or another of North Korea.

[1](#)7. (SBU) On Avian Influenza, King said that the GOC delegation will be fully briefed and ready to discuss GOC

views on the threat of AI. Chile suffered an outbreak in 2002 among its bird population, but dealt with it rapidly and successfully. Chile has been diligent in sharing AI experience with APEC members in the past. Overall, King thought that Vietnam had been doing a good job in planning the summit and expected a successful APEC.

KELLY